

BREWSTER PLACE

To: Connie Hubbell, Chair, and Members
Kansas Health Policy Authority Board
From: David Beck, CEO, Brewster Place
Date: Tuesday, November 13, 2007

My name is David Beck and I am the CEO of Brewster Place, a not-for-profit, United Church of Christ sponsored retirement community in Topeka. I am also the immediate past chair of the Board of Directors of the Kansas Association of Homes and Services for the Aging (KAHSA). Thank you for this opportunity to speak to you regarding what is being referred to as the "Quality Tax Model for Kansas Nursing Facilities."

Brewster Place has served elderly citizens of northeast Kansas for more than 43 years. As a continuing care retirement community with a mission of providing all of its residents opportunities for an optimal quality of life, we provide a continuum of care services including 160 independent living homes, 75 congregate apartments, 26 assisted living apartments, and homes for 79 residents in our skilled nursing facility (state licensed and certified for Medicare and Medicaid). We also provide home health services on our campus as well as a variety of rehabilitation therapy modalities, two wellness centers, an emergency call system and an in-house 24 hour security department. At the heart of every service provided by Brewster Place is a commitment to a person-centered philosophy at all levels of the continuum. Brewster Place's wellness initiatives center on the four key areas of wellness – physical, social, intellectual, and spiritual. The embodiment of our mission is in providing opportunities for our residents in each of these four areas to stay healthy and independent as long as possible, preserving their dignity as well as their resources, and lessening the burden on government to pay for health services through Medicare and Medicaid.

I am strongly opposed, as is KAHSA, to taxing vulnerable Kansans who pay for their own nursing home care in order to leverage federal Medicaid dollars for the state.

These older Kansans who require nursing home care have paid plenty of taxes over their lifetimes to support the Medicaid program. At the same time they scrimped and saved to pay for their own long term care needs. The so-called quality tax would create a perverse incentive against personal responsibility, plus it would accelerate the depletion of older Kansans' assets, causing them to rely on Medicaid faster.

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I have serious concerns about this “get rich quick” deal that most likely will not be sustained for the benefit of the people we care for. Those who have watched nursing home taxes in other states know that the tax almost always increases to the maximum allowable level, and the “pay back” to nursing homes quickly goes down.

Some would like to say that because the hospitals have a tax, nursing homes should, too. But there are some essential differences between a hospital tax and a nursing home tax:

1. Fewer than 5% of hospital patients are self-pay. More than a third of nursing home residents are self-pay and these people will shoulder the burden of the tax.
2. A vast majority of hospitals are exempt from the tax. A few nursing homes and their residents *might* be exempt.
3. The hospital community was in agreement about the tax. The long term care provider community is not in agreement.

Society’s continued reliance on Medicaid as the primary payer for long-term care is a serious and growing concern. As this board and others have suggested, we need to move proactively to increase and reward personal responsibility among those who are able to provide for their own needs without reliance on Medicaid. We need to encourage cost efficiencies while preserving quality, to focus on wellness and prevention, and to rebalance our system of long term care. The so called Quality Tax for Nursing Facilities will not accomplish this.

Thank you. I would be happy to answer questions.